

Program C: Alcohol and Tobacco Control

Program Authorization: R.S. 14:93.20; R.S. 15:578 (A)(1); Title 26 of the La. Revised Statutes; R.S. 36:451(B) and (C), 458(E), 459(F), and 921(C).

PROGRAM DESCRIPTION

The mission of the Alcohol and Tobacco Control Program (organizationally designated as the Office of Alcohol and Tobacco Control) is to reduce underage consumption of alcohol and tobacco through professional, knowledgeable, and courteous service to the taxpayers of the state, in fulfillment of regulatory and statutory enforcement obligations. The Office of Alcohol and Tobacco Control (ATC) is responsible for overseeing the alcoholic beverage and tobacco industries within the state. The ATC also strives to assist taxpayers applying for alcohol and tobacco permits with prompt and quality service, in an effort to deliver permits in the shortest time possible. The ATC is further devoted to the enforcement of the laws of the State of Louisiana.

The goal of the Office of Alcohol and Tobacco Control is to provide the state with an effective regulatory system for the alcoholic beverage and tobacco industries, with particular emphasis placed on reducing underage access to alcohol and tobacco products through efficient and effective education and enforcement efforts.

Several acts that expanded the functions and responsibilities of the Office of Alcohol and Tobacco Control were passed during the 1997 Regular Session of the Louisiana Legislature.

Act 1370, effective October 1, 1997, changed the name of the office and added a license requirement for tobacco products dealers who sell at wholesale, retail, or through vending machines. The OATC is responsible for enforcing the prohibition against sales of tobacco products to youths under the age of 18 years and for registering and permitting tobacco retailers and wholesalers in Louisiana. This licensing program is to help ensure compliance with the Prevention of Youth Access to Tobacco Law.

Act 728, effective August 17, 1997, enacted R. S. 14:93.20 to make it unlawful for alcoholic beverage wholesalers, retailers, or producers domiciled outside of Louisiana to ship directly to consumers in Louisiana unless the shipper is registered with the OATC. The OATC is responsible for enforcing this prohibition and for notifying the U. S. Bureau of Alcohol, Tobacco and Firearms of violations.

Act 1054 instituted the Responsible Vendor Program, which is designed to educate vendors and their employees and customers about selling, serving, and consuming alcoholic beverages in a responsible manner and to provide for certification of vendors and servers. The program, which was voluntary effective January 1, 1998, became mandatory January 1, 2000.

The Office of Alcohol and Tobacco Control is comprised of the Administrative and Certification Division and the Enforcement and Field Certification Division. The Administrative Division is responsible for licensing alcoholic beverage licensees, tobacco licensees, and responsible vendor providers, trainers, and servers. The Administrative Division issues approximately 30,000 alcohol and tobacco permits annually, as well as over 130,000 responsible vendor server permits statewide.

The Enforcement Division is responsible for enforcing Title 26, the Beer and Liquor Law, and the Louisiana Administrative Code. Enforcement agents, in conjunction with local law enforcement personnel, conduct random inspections at locations where alcoholic beverages and tobacco products are sold. Agents also investigate current license holders' operations to assure compliance with the complex fair trade laws that govern the industries. Annually, the division conducts over 21,000 inspections and responds to 10,000 dealer requests.

OBJECTIVES AND PERFORMANCE INDICATORS

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2001-2002. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

1.(KEY) To reduce the average time required for taxpayers to receive alcohol and tobacco permits to 20 days.

Strategic Link: This operational objective relates to the program's strategic objective related to reducing average time required for taxpayers to receive alcohol and tobacco permits.

Louisiana: Vision 2020 Link: Not applicable

Children's Cabinet Link: Not applicable

Other Link(s): Not applicable

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1999-2000	ACTUAL YEAREND PERFORMANCE FY 1999-2000	ACT 11 PERFORMANCE STANDARD FY 2000-2001	EXISTING PERFORMANCE STANDARD FY 2000-2001	AT CONTINUATION BUDGET LEVEL FY 2001-2002	AT RECOMMENDED BUDGET LEVEL FY 2001-2002
K	Average time for taxpayers to receive alcohol and tobacco permits (in days)	34	30	20 ¹	20 ¹	20	20
K	Total number of alcohol permits processed	30,000	28,008 ²	30,000	30,000	30,000	30,000
K	Total number of tobacco permits processed	18,000	10,599 ³	15,000	15,000	15,000	15,000

¹ Although the performance standard for this indicator is 20, the department indicates in its FY 2000-2001 First Quarter Performance Progress Report that a more likely yearend figure is 30 days.

² In FY 1999-2000, 96 alcohol permit applications were denied.

³ In FY 1999-2000, 95 tobacco permits were denied.

2. (KEY) To reduce the alcohol noncompliance rate to 20% and the tobacco noncompliance rate to 8%.

Strategic Link: This operational objective relates to the program's strategic objective to reduce the number of compliance violations by 3%.

Louisiana: Vision 2020 Link: Not applicable

Children's Cabinet Link: Not applicable

Other Link(s): Not applicable

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND	ACTUAL	ACT 11	EXISTING	AT	AT
		PERFORMANCE	YEAREND	PERFORMANCE	PERFORMANCE	CONTINUATION	RECOMMENDED
		STANDARD	PERFORMANCE	STANDARD	STANDARD	BUDGET LEVEL	BUDGET LEVEL
		FY 1999-2000	FY 1999-2000	FY 2000-2001	FY 2000-2001	FY 2001-2002	FY 2001-2002
K	Alcohol noncompliance rate	25%	11.76%	22%	22%	22.0%	20%
K	Tobacco noncompliance rate	15%	7.81%	10%	10%	10.0%	8%
K	Total number of compliance checks conducted	12,786	10,133	7,000	7,000	7,000	7,000
K	Total number of inspections conducted	21,000	31,747	21,000	21,000	21,000	21,000

GENERAL PERFORMANCE INFORMATION: ALCOHOL AND TOBACCO ENFORCEMENT

PERFORMANCE INDICATOR	PRIOR YEAR ACTUAL FY 1996-97	PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99	PRIOR YEAR ACTUAL FY 1999-00
Alcohol noncompliance rate	Not available	58.0%	29.9%	11.76%
Tobacco noncompliance rate	75.0%	50.0%	11.9%	7.81%
Total number of summons and arrests ¹	Not available	Not available	2,664	3,528
Total number of citations issued	Not available	4,444	3,080	1,426

¹ Summons and arrests did not come through the Office of Alcohol and Tobacco Control prior to FY 1998-1999. They went from the agent to the district courts through the state. Now summons and arrests come through this office first and the office is able to track the number of summons and arrests.

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1999 - 2000	ACT 11 2000 - 2001	EXISTING 2000 - 2001	CONTINUATION 2001 - 2002	RECOMMENDED 2001 - 2002	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$0	\$0	\$0	\$0	\$0	\$0
STATE GENERAL FUND BY:						
Interagency Transfers	335,796	140,327	308,037	263,037	149,963	(158,074)
Fees & Self-gen. Revenues	3,833,900	3,527,416	3,532,555	3,448,321	3,916,253	383,698
Statutory Dedications	0	0	0	0	0	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	108,799	0	224,000	202,000	202,000	(22,000)
TOTAL MEANS OF FINANCING	\$4,278,495	\$3,667,743	\$4,064,592	\$3,913,358	\$4,268,216	\$203,624
EXPENDITURES & REQUEST:						
Salaries	\$2,513,760	\$2,191,924	\$2,291,736	\$2,363,696	\$2,316,632	\$24,896
Other Compensation	41,014	65,750	65,750	65,750	65,750	0
Related Benefits	445,508	416,517	488,615	497,969	495,240	6,625
Total Operating Expenses	662,312	610,293	718,712	724,072	691,560	(27,152)
Professional Services	12,750	68,855	194,055	76,142	178,855	(15,200)
Total Other Charges	109,338	115,479	115,479	115,479	221,124	105,645
Total Acq. & Major Repairs	493,813	198,925	190,245	70,250	299,055	108,810
TOTAL EXPENDITURES AND REQUEST	\$4,278,495	\$3,667,743	\$4,064,592	\$3,913,358	\$4,268,216	\$203,624
AUTHORIZED FULL-TIME EQUIVALENTS: Classified	80	79	79	79	79	0
Unclassified	1	2	2	2	2	0
TOTAL	81	81	81	81	81	0

SOURCE OF FUNDING

This program is funded with Fees and Self-generated Revenues, Interagency Transfers, and Federal Funds. The Fees and Self-Generated Revenues are generated through fees assessed the industry through the required purchase of various licenses, permits, and fines for violations, etc. The Interagency Transfers are from the Department of Health and Hospitals for

enforcement of the Prevention of Youth Access to Tobacco Law; from the Department of Public Safety for the enforcement of State and Federal laws prohibiting the sale of alcoholic beverages to underage consumers; and from the Department of Health and Hospitals for the "Combating Underage Drinking" Grant. The Federal Funds are from the U.S. Department of Justice – Office of Juvenile Justice and Delinquency Prevention to enforce underage drinking laws.

ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$0	\$3,667,743	81	ACT 11 FISCAL YEAR 2000-2001
			BA-7 TRANSACTIONS:
\$0	\$54,636	0	Additional funding provided for a statewide repository for data regarding underage drinking
\$0	\$113,074	0	Carry forward BA-7 for contracts that were not completed by July 1, 2000 for the development of the information repository system to reduce underage drinking
\$0	\$5,139	0	Carry forward BA-7 for purchase orders that were not delivered prior to July 1, 2000
\$0	\$224,000	0	Funding provided to purchase specialized enforcement equipment to increase detection of underage access to alcoholic beverages at special events, fairs, and festivals and to conduct 1,200 random alcohol compliance checks
\$0	\$4,064,592	81	EXISTING OPERATING BUDGET – December 15, 2000
\$0	\$40,978	0	Annualization of FY 2000-2001 Classified State Employees Merit Increase
\$0	\$40,336	0	Classified State Employees Merit Increases for FY 2001-2002
\$0	(\$51,874)	0	Risk Management Adjustment
\$0	\$369,250	0	Acquisitions & Major Repairs
\$0	(\$190,245)	0	Non-Recurring Acquisitions & Major Repairs
\$0	(\$118,213)	0	Non-Recurring Carry Forwards
\$0	\$105,645	0	Rent in State-Owned Buildings
\$0	\$46,837	0	Salary Base Adjustment
\$0	(\$54,356)	0	Attrition Adjustment
\$0	(\$65,306)	0	Salary Funding from Other Line Items
\$0	\$35,572	0	Funding provided for vehicle maintenance
\$0	\$45,000	0	Funding provided for operational support
\$0	\$4,268,216	81	GRAND TOTAL RECOMMENDED

The total means of financing for this program is recommended at 105.0% of the existing operating budget. It represents 82.0% of the total request (\$5,202,510) for this program. The 5.0% increase from the existing operating budget is due to acquisitions and major repairs and statewide adjustments. This program does not have any positions that have been vacant for one (1) year or more.

PROFESSIONAL SERVICES

\$30,847	Provide legal research, advice, expert testimony and brief the Commissioner of ATC
\$38,008	Responsible Vendor education
\$100,000	Provide subcontracts to other agencies funded by a federal grant for Enforcing the Underage Drinking Laws Program
\$10,000	Application redesign and technical assistance required to migrate the Underage Alcohol Statewide Information Repository to the web server
\$178,855	TOTAL PROFESSIONAL SERVICES

OTHER CHARGES

	Interagency Transfers:
\$200,004	Rent in State-owned Buildings
\$2,154	Civil Service Fees
\$18,966	Department of Public Safety for computer line usage
\$221,124	TOTAL INTERAGENCY TRANSFERS

ACQUISITIONS AND MAJOR REPAIRS

\$299,055	(13) Replacement Vehicles, (1) Fax Machine, (15) Communication Radios
\$299,055	TOTAL ACQUISITIONS AND MAJOR REPAIRS